

Message Text

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TO SECSTATE WASHDC PRIORITY 468

INFO AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

DIA WASHDC

USCINCSO J2 QUARRY HEIGHTS CZ

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 3228

E.O. 11652: GDS

TAGS: PGOV, PINT, BL

SUBJ: WHAT WILL BANZER DO NEXT: PROSPECTS FOR BOLIVIA ELECTIONS

REF: (A) LA PAZ 2753 (B) LA PAZ 2987

1. SUMMARY: SO FAR SIGNS ARE AMBIGUOUS ABOUT HOW PRESIDENT BANZER WILL REACT TO THE SHARP DEFEAT OF HIS EFFORT TO POSTPONE ELECTIONS SUFFERED AT THE HANDS OF THE BOLIVIAN MILITARY ON APRIL 5. A SURPRISINGLY LARGE BODY OF OPINION, INCLUDING MANY BANZER INTIMATES AND DISCARDED ASSOCIATES, BELIEVE HE IS DETERMINED TO CLING TO POWER, AND THAT HE WILL MAKE ANOTHER EFFORT, PERHAPS DRAMATICALLY, TO POSTPONE OR CANCEL ELECTIONS IN ORDER TO PRESERVE HIS POWER AND PRESTIGE. BUT THE MILITARY'S CLEARLY EXPRESSED SUSPICION OF BANZER AND OF HIS BYZANTINE POLITICAL STYLE NARROWS HIS MANEUVERABILITY AND HE RISKS HIS OWN DOWNFALL IF HE TRIES TO STAGEMANAGE AN EXCUSE TO ALTER THE ELECTION PROCESS. BANZER COULD STILL DECIDE TO TAKE THE HIGH ROAD--PRE-SIDING OVER PEACFUL ELECTIONS AND TRANSITION TO DEMOCRATIC GOVERNMENT, IN WHICH CASE HE COULD END HIS SEVEN YEARS IN

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POWER WITH DIGNITY. TRUE TO FORM, BAZER IS FOLLOWING BOTH TRACKS FOR THE MOMENT, PUBLICLY DECLARING HIS SUPPORT FOR ELECTIONS AND FOR CANDIDATE JUAN PEREDA WHILE ALLOWING A NUMBER OF ANTI-ELECTION ELEMENTS TO OPERATE UNCHECKED. HIS ELECTION POSTPONING OPTIONS INCLUDE 1) AN EFFORT TO MANEUVER THE MILITARY BACK TO HIS SIDE SUCH AS BY STAGING AND THEN CRUSHING A PHONEY COUP ATTEMPT; 2) PERMITTING, OR ENCOURAGING VIOLENCE TO

OCCUR, WHICH COULD INCLUDE STUDENT DEMONSTRATIONS, LABOR STRIKES, OR SABOTAGE, AND USING HIS AS AN EXCUSE TO CANCEL ELECTIONS. THERE ARE POLIVIAN EXTREMIST ELEMENTS WHO WOULD UNWITTINGLY--AND SOME WITTINGLY--PLAY INTO HIS HANDS. HOWEVER, MOST OF BANZER'S OPPOSITION UP TO NOW, HAS AVOIDED GIVING HIM AN EXCUSE TO POSTPONE ELCTONS. FINALLY, 3) BANZER COULD CREATE A BORDER INCIDENT WITH CHILE. THIS SEEMS TO BE THE MOST DIFFICULT TO PULL OFF AND LEAST LIKELY TO US. THE US INTEREST IN ALL THIS IS OUR CONCERN FOR FOSTERING POLITICAL FREEDOMS AND OTHER HUMAN RIGHTS, AND AVOIDING BEING UNFAIRLY BLAMED FOR ECONOMIC PROBLEMS WHICH BANZER COULD INCLUDE AMONG HIS EXCUSES FOR POSTPONING. OJR POSTURE IS TO CONTINUE DECLARING OUR SUPPORT FOR THE ELCTION PROCESS AND OUR PLANS TO PROVIDE INCREASED ECONOMIC AID TO DEMOCRATIC BOLIVIA, AND TO HOPE THAT PRO-ELECTION FORCES, INCLUDING THE MILITARY, WILL SWITCH BANZER ONTO THE HIGH TRACK. END SUMMARY.

2. IN THE WAKE OF PRESIDENT BANZER'S FAILURE TO CONVINCE THE BOLIVIAN MILITARY DURING AN APRIL 3-5 MEETING TO AGREE TO A POSTPONEMENT OF THE SCHEDULED JULY 9 ELECTIONS, NO ONE REALLY KNOWS WHAT HUGO BANZER WILL DO NEXT. HE HAS BEEN UNPREDICTABLE FROM THE DAY IN NOVEMBER 1977 HE ANNOUNCED PRESIDENTIAL ELECTIONS FOR 1978 UNTIL HIS LATEST EFFORT TO DERAIL THE ELCTION PROCESS (SEE REFTELS). A LARGE NUMBER OF PEOPLE INCLUDING MANY BANZER INTIMATES, DISCARDED ASSOCIATES AND OPPOSITION POLITICANS BELIEVE THAT HE WILL, IN TYPICALLY DRAMATIC BANZER FASHION, MAKE YET

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ANOTHER EFFORT TO POSTPONE THE ELECTIO N IN ORDER TO REMAIN IN POWER AND PRESERVE HIS PRESTIGE. FOR EXAMPLE, AN EMPLOYEE OF BANZER'S WIFE, PERHAPS WITH HER CONCURRENCE, VISITED THE AMBAS- SADOR ON APRIL 18 TO ADVISE HIM THAT BANZER IS NOT TO BE TRUSTED. SEVERAL OTHER FORMER BANZER ADMIRERS HAVE TAKEN PAINS IN RECENT DAYS TO PASS THE SAME MESSAGE TO EMBASSY OFFICERS. FORMER AMBASSADOR TO THE US ROBERTO CAPRILES, ONE OF THE FEW REMAINING BANZER INTIMATES CONSIDERED TO STRONGLY SUPPORT ELECTIONS, TOLD POL/ECOM CONCELOR ON APRIL 20 THAT THERE WAS MUCH "WORK TO BE DONE" TO ENSURE THAT ELECTIONS OCCUR, IMPLYING THAT ANTI-ELECTION FORCES REMAIN ACTIVE.

3. THE EMBASSY BELIEVES BANZER IS STILL UNRECONCILED TO YIELDING POWER. CONCSISTENT WITH HIS USUAL STRATEGY, HE APPEARS TO BE FOLLOWING TWO COURSES SIMULTANEOUSLY. ON THE ONE HAND HE PUBLICLY SUPPORTS ELECTIONS AND IS TRYING TO GIVE THE IMPRESSION THAT HE AND PEREDA HAVE PATCHED OVER THEIR RECENT PROBLEMS. BANZER BEGAN TOURING RURAL AREAS WITH PEREDA ON APRIL 20 AND HAS BEEN PUBLICLY PRASINING HIM. BUT HIS STATEMENTS FOR PEREDA HAVE A CURIOUS AURA OF FAINT PRAISE AND IT IS STILL NOT CLEAR THAT HIS HEART IS IN IT. DURING A RALLY AT THE MAJOR COCHABAMBA VALLEY TOWN OF CLIZA, BANZER FOR THE FIRST ITME

SINCE 1974 MENTIONED THE MILITARY MASSACRE OF CAMPESIONOS WHICH OCCURED THAT SAME YEAR, AN ODD JUXTAPOSITION TO HIS PROFESSED SUPPORT FOR PEREDA. HIS STATEMENTS ALSO HAVE CONTAINED SOME HINTS (WARNINGS AGAINST ANARCHY, CONCERN FOR THE ECONOMY) THAT IF CONDITIONS WARRANTED HE MIGHT POSTPONE THE ELECTIONS. RURORS CONTINUE TO CIRCULATE THAT BANZER IS PLOTTING, POSSIBLY WITH THE ANTI-ELECTION GUTIERREZ WING OF THE FALANGE TO FORCE A POSTPONEMENT OF THE ELCTIONS. BANZER MAY ALSO HAVE USE LA PAZ MAYOR MARIO MERCADO AS AN EMISSARY TO SUGGEST TO THE AMBASSADOR THAT ECONOMIC DIFFICULTIES MIGHT WARRANT A CHANGE IN THE ELECTION PLAN AND TO SOUND OUT THE AMBASSADOR'S REACTION.

4. IF BANZER DOES INTEND TO MAKE ONE LAST EFFORT TO DERAIL ELECTIONS, HE HAS SEVERAL POSSIBLE TACTICS. FIRST, HE

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COULD TRY TO PROMOTE A COUP AGAINST HIMSELF EITHER BY USING OFFICERS WILLING TO SACRIFICE THEMSELVES AND SPEND A FEW YEARS IN EXILE FOR SOME TANGIBLE REWARD, OR BY USING SUPPORTERS TO ENCOURAGE SOME UNWITTING GROUPS TO LAUNCH A COUP WHICH BANZER WOULD BE READY TO SUPPRESS AND WHICH HE WOULD HOPE WOULD WIN BACK FOR HIM THE SUPPORT OF THE ARMED FORCES.

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5. A SECOND SCENARIO WOULD BE AN ATTEMPT BY BANZER TO PROMOTE OR ENCOURGE VIOLENCE, POSSIBLY AS THE RESULT OF STUDENT DEMONSTRATIONS OR LABOR STRIKES, AND USE THIS AS AN EXCUSE FOR POSTPONEMENT. WITH MAY DAY COMING UP AND DIFFICULT WAGE NEGOTIATIONS EXPECTED IN THE NEXT FEW WEEKS OR MONTHS BETWEEN THE GOB AND THE URBAN TEACHERS AND MINERS, THE POSSIBILITY EXISTS OF STRIKES, LARGE DEMONSTRATIONS INVOLVING THE UNIVERSITY STUDENTS AND POSSIBLY VIOLENCE WHICH BANZER COULD EXPLOIT TO TRY TO DEMONSTRATE TO THE MILITARY THAT THE COUNTRY IS NOT YET READY FOR A RETURN TO CONSTITUTIONAL GOVERNMENT. BANZER STATED ON APRIL 15, "UNDERSTAND THIS WELL--THE COST OF REAL DEMOCRACY DOES NOT INCLUDE ANARCHY BECAUSE THIS INVOLVES NOT A COST BUT A SACRIFICE THAT BOLIVIANS ARE NOT PREPARED TO PAY". THEN ON APRIL 20 MINISTER OF INTERIOR JIMENEZ GALLO TOLD THE PRESS FOLLOWING A CABINET MEETING THAT THE GOB IS CONCERNED AT THE CLIMATE OF POLITICAL AGITATION IN THE COUNTRY, ALTHOUGH LITTLE HAS HAPPENED TO WARRANT SUCH A STATEMENT. JIMENEZ SAID, "IF THE CLIMATE OF AGITATION CONTINUES AND TENDS TO GET WORSE, THE

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GOVERNMENT, BY USING ITS POWER TO MAINTAIN PUBLIC ORDER, WILL APPLY THE MOST DRASIC SANCTIONS". HE ALSO CALLED THE UNIVERSITY OF SAN ANDRES A "PUBLIC BATTLEGROUND". UP TO NOW THE OPPOSITION POLITICAL PARTIES AND TRADE UNIONS HAVE AVAIDED ANY PROVOCATION WHICH COULD JUSTIFY CANCELING THE ELCTIONS. WE KNOW OF SEVERAL ALLEGED CASES IN WHICH THE MIR (RELATIVELY FAR LEFT GROUP) PERSUDED NOT HEADED EXTREMISTS NOT TO CREATE VIOLENCE.

6. THIRDLY, BANZER COULD TRY TO STIR UP PROBLEMS ON THE CHILEAN BORDER. HE HAS ALREADY EXPRESSED TO THE AMBASSADOR HIS CONCERN OVER INCREASED TENSION ON THE BORDER AND THE EMBASSY HAS RECEIVED A REPORT THAT HE HAS DISCUSSED JUST THIS SCENARIO WITH HIS MILITARY COMMANDERS. HOWEVER, CREATING A BORDER INCIDENT SEEMS RATHER TRANSPARENT, AND A RISKY COURSE FOR BANZER.

7. THE MAJOR FACTOR INHIBITING BANZER FROM AN EFFORT TO DERAIL ELECTIONS IS HIS KNOWLEDGE THAT THE MILITARY, WHICH REBUFFED HIS ELECTION POSTPONEMENT PLANS AT THE ARIL 3-5 MEETING, IS AWARE THAT HE MIGHT TRY TO DERAIL THE ELCTION PROCESS AND IS PREPARED TO TRY TO STOP HIM. SEVERAL INFLUENTIAL MIDDLE GRADE OFFICERS HAVE CLEARLY STATED TO US THAT IF BANZER ATTEMPTS TO POSTPONE ELCTIONS AGAIN THE MILITARY WILL REMOVE HIM BY FORCE., BANZER KNOWS HE NOW HAS TO BE VERY CAREFUL WITH THE ARMED FORCES AND HE MIGHT THEREFORE DECIDE TO TAKE THE HIGH ROAD OF ELECTIONS AND RETURN TO CONSTITUTIONAL GOVERNMENT, THERE-

BY GOING OUT AS A NATIONAL HERO.

8. IF, HOWEVER, BANZER DECIDES TO TRY POSTPONEMENT AGAIN, THE FATE OF THE ELECTIONS MAY DEPEND ON WHETHER HE IS STOPPED BEFORE OR AFTER HE PUTS HIS PLAN INTO OPERATION. IF BANZER IS FORCED TO STOP BEFORE HIS PLAN CAN GET ROLLING (AS HAPPENED ON APRIL 4)

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THEN THE ELECTION PROCESS CAN GO ON, BUT IF THE MILITARY IS FORCED TO INTERVENE AND TOPPLE BANZER TO PREVENT HIS PLAN FROM SUCCEEDING THEN THE JULY 9 ELECTIONS WOULD BE RECONSIDERED BY THE JUNTA THAT REPLACES HIM.

8. THE U.S. INTEREST LIES IN OUR DOING WHAT WE CAN TO HELP ASSURE THAT FREE ELECTIONS ARE HELD ON SCHEDULE. IN ADDITION, WE DO NOT WANT TO DO ANYTHING WHICH WOULD ALLOW BANZER TO BLAME US FOR BOLIVIA'S ECONOMIC PROBLEMS AND USE THAT AS AN EXCUSE TO POSTPONE ELECTIONS. WE INTEND TO CONTINUE TO EXPRESS OUR FULL SUPPORT FOR FREE DEMOCRATIC ELECTIONS AND A RETURN TO DEMOCRATIC GOVERNMENT FOR BOLIVIA, IN THE HOPE THAT GIVEN THE SLIM CHANCES OF REMAINING IN POWER, BANZER WILL ALLOW HIMSELF TO BE PERSUADED BY THE PRO-ELECTION FORCES TO TAKE THE HIGH ROAD AND GO INTO HISTORY AS A PRESIDENT WHO BROUGHT STABILITY AND THEN DEMOCRACY BACK TO BOLIVIA.

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